

1 whole story. Again, getting back to this  
2 whole -- which I think still persists today or  
3 at least while I was there -- the notion of an  
4 intranet of value and the ability to bridge  
5 liquidity through or procure liquidity through  
6 XRP. I -- that's -- from the beginning and  
7 sort of uses different words to describe the  
8 same thing later on.

9 Q During 2014, did Ripple engineers  
10 work to improve the XRP Ledger?

11 A Yes.

12 Q And what did they do?

13 A I don't know.

14 Q Is it referred to in the document?

15 A I think -- I think I saw it in  
16 there -- I don't know.

17 Q On page 5, the very top it says --  
18 under the paragraph titled:

19 "The year the protocol matured" it  
20 says, "throughout 2014 the Ripple team work on  
21 improving stability increasing Ripples --"

22 A Yeah --

23 Q "-- to over \$0.99. Also rolled out.

24 A series of new features and

25 improvements." And goes on to

1 list some of those are they referring to the  
2 XRP Ledger here?

3 A Yes.

4 Q Is that a reference to the XRP  
5 Ledger?

6 A Yes.

7 Q Did the company also enter into  
8 partnerships in 2014?

9 A I believe so, yes.

10 Q What was the primary purpose of  
11 those partnerships?

12 A Gets back to the same premise  
13 connecting different financial institutions to  
14 the Ripple network -- to the Ripple XRP  
15 Ledger. And from there getting them to  
16 digitize their assets or transfer them across  
17 the XRP Ledger.

18 Q I would like to show you what's been  
19 previously marked as Exhibit 73, which if you  
20 just keep that open for a minute --

21 A Okay.

22 Q -- in the middle of the page right  
23 above section we were referring to, there's a  
24 link to an article it says:

25 "The Ripple protocol, a deep dive

1 for financial professionals." And I'm  
2 showing you what's been previously marked as  
3 Exhibit 73, which is that document.

4 (The witness examined the document.)

5 A Okay.

6 Q It's a long document; so just take a  
7 couple of minutes to look at it. I'm going to  
8 ask you some questions about page 45 and page  
9 17.

10 A Where do you want me to start; just  
11 read both --

12 Q Yes --

13 A -- them? Okay.

14 Q You can start from the beginning.  
15 Just take a couple of minutes to page through  
16 the document and then I will ask you questions  
17 about those specific two pages.

18 A Okay.

19 Q If you look at page 17, the entire  
20 page, it talks about the Ripple protocol and  
21 how it could be monetized through XRP Ripple.  
22 And then it goes on to say:

23 "Ripple plans to retain 25 of all  
24 XRP issued to fund operations and hopefully  
25 turn a profit and distribute through the rest

1 to the participation of market makers,  
2 gateways, and consumers to utilize the  
3 protocol. Given that there was finite number  
4 of XRP as demand for XRP gross the value of  
5 XRP should appreciate. In this matter, Ripple  
6 Labs believes that it's incentives are aligned  
7 with those of protocol users both want the  
8 protocol to reach it's full potential and  
9 scale." Does this adequately reflect the  
10 company's strategy with respect to XRP?

11 A The 25 percent, I don't know. I  
12 don't know. I feel like in the course of this  
13 conversation, that number has been different.  
14 More or less, right, yes.

15 Q Turn to page 45, sub-heading, the  
16 role of XRP. At the end of the paragraph it  
17 says:

18 "Over time if the Ripple protocol  
19 becomes widely adopted, demand for XRP may  
20 increase leading to an increase in price."

21 A Yes.

22 Q "Unlike information protocols, like  
23 HTTP or SMTP investors can own a  
24 stake in Ripple the value transport  
25 layer of the internet."



1           A     Okay.

2           Q     Does this adequately reflect the  
3     company's understanding of how demand of XRP  
4     would reflect XRP's price?

5           A     Well... by the way, I do think it's  
6     worth pointing out for context. The author of  
7     this document, [REDACTED] was actually the  
8     primary author of this document. He, I think  
9     subsequently went onto [REDACTED] but was at  
10    [REDACTED] where we met him. And then he  
11    left [REDACTED] and in the intervening  
12    period we contracted him. He is a sort of  
13    research analyst. He writes long documents  
14    like this. And so, we were trying to build a  
15    document that we could use to explain some of  
16    the complexities of the technology and the  
17    space and something that could be provided to  
18    financial professionals.

19                So that's the context of this is  
20    really effectively I would say a document that  
21    was written and we paid Roman to write this  
22    document and we went in and, of course, read  
23    it, edit it and made revisions to it.

24                So, as far as the question about  
25    what drives demand for XRP, if the protocol

1 was used, I think that there's an intention  
2 that there's a theory, a belief, that that  
3 will potentially lead to the use of XRP and  
4 the increased use of XRP. And if that  
5 happens, then that will have positive impacts  
6 on the value of XRP as well.

7 Q Including the price of XRP?

8 A Including the value being the price  
9 and the volume moving through XRP.

10 And again, if there's more liquidity  
11 around XRP it's used more widely across a  
12 range of application as well.

13 Q You are listed as one of the author  
14 for this document?

15 A Yes.

16 Q What was your involvement in putting  
17 this document together?

18 A Apart, from speaking so we  
19 contracted [REDACTED] I believe there was a draft  
20 version of this that was written up and my  
21 team and I read through it. I would probably  
22 have been one of the last people to review it  
23 and that was my involvement.

24 Q Did you provide line edits?

25 A I don't know. It's possible.

1           Q     How did it happen that Ripple  
2     contracted with [REDACTED] to produce this  
3     document?

4           A     So, again, I think as with the other  
5     document you pulled up earlier --

6           Q     The primary?

7           A     Yes, the primary.

8           Q     Let's turn to it. I think it is  
9     Exhibit 109. You can leave that open.

10          A     Yeah, we were out talking with a lot  
11     of possible customers and different financial  
12     services players about what we were doing and  
13     investors and classic venture investors and  
14     people who wanted to know -- regulators,  
15     people who wanted to know to know what was  
16     going on in the space. We often were  
17     repeating ourselves and explaining --  
18     re-explaining ourselves over and over again.  
19     And I think with that document and certainly  
20     with this one, which I think was a little bit  
21     later, we were trying to create a document  
22     that could be used to provide sort of an  
23     overview of the space and overview of what XRP  
24     was and overview of what Ripple was to  
25     different financial analysts and financial

1 specialists trying to understand the space.

2 Q Were you trying to provide an  
3 overview of how Ripple was going to help to  
4 increase the value of XRP?

5 A No, I -- no, that's not what the  
6 intention was.

7 Q Well, was the document provided to  
8 potential investors?

9 A Possibly.

10 Q Was it provided to potential  
11 purchasers of XRP?

12 A It's possible.

13 Q Why do you think the document -- do  
14 the documents talk about how Ripple will  
15 create value for XRP?

16 A I don't know.

17 Q On page 17, going back. We just saw  
18 that Ripple said that it was:

19 "Planned to retain a portion of the  
20 XRP to fund operations and then distribute the  
21 rest to incent the participation of market  
22 makers, gateways, and consumers to utilize the  
23 protocol." Which you said earlier would  
24 help increase demand --

25 A Right --

1 MR. HECKER: Wait. Wait --

2 Q -- and increase the value, which  
3 included increased price.

4 MR. HECKER: Wait. Wait. Wait for  
5 the question.

6 Q So, was this document meant to let  
7 people know about Ripple's efforts with  
8 respect to XRP?

9 A Maybe as part of the broader  
10 educational document, yes.

11 Q At this time -- this document is  
12 dated November 2014 -- at the time, did Ripple  
13 develop any products that used XRP other than  
14 the XRP letter?

15 A Well, that's -- I don't know really  
16 how to answer that question.

17 I mean, I think the approach that we  
18 were taking at least from a business  
19 development perspective was to identify our  
20 market insertion point. That might not have  
21 involved XRP; but maybe led to uses of XRP.

22 So I don't know. When you ask the  
23 question was there a product that utilized XRP  
24 or was intended to use XRP, I -- it's -- maybe  
25 not on day one; but certainly the intention



1 was to create networks that would drive volume  
2 into XRP at some point.

3 Q At this point in time, was there  
4 products that used XRP?

5 A I don't remember. There could have  
6 been, you know. 'Cause I think at that point,  
7 there was a retail product. I can't remember  
8 though.

9 Q Page 45, last sentence, sub-heading  
10 "the role of XRP."

11 A Yes.

12 Q Says:

13 "Investors can directly own a stake  
14 in Ripple." The last sentence says, "unlike  
15 information protocol like HTTP or SMTP,  
16 investors can directly own a stake in Ripple,  
17 the value transport layer of the internet."

18 A Okay.

19 Q What is your understanding of  
20 "Ripple" in that sentence?

21 A At this time, people talked a lot  
22 about what was interesting about crypto  
23 currency, broadly, was that they are  
24 monetizable protocols. That unlike other  
25 protocols like SMTP or HTTP, sort of the

1 backbone of the internet, which were not  
2 monetizable, these are sort of a new backbone,  
3 a new infrastructure that could be monetized  
4 by way of the sort of native assets by  
5 securing them and help them operate.

6 And that's what "Ripple" here I  
7 think is, specifically, referring to, the  
8 Ripple protocol, which is sort of the code  
9 that runs Ripple D.

10 Q So, you don't think is it a  
11 reference to people investing in Ripple Lab --

12 A No.

13 Q It's not your understanding?

14 A No. No. Especially given first  
15 part of that sentence, "unlike the information  
16 protocols like HTTP or SMTP."

17 Ripple Inc. is not a "protocol."  
18 This would be, specifically, talking about the  
19 protocol that operates the Ripple -- the XRP  
20 Ledger.

21 MS. WAXMAN: I will have this marked  
22 as Exhibit 112.

23 (SEC Exhibit No. 112 was  
24 marked for  
25 identification.)

1           Q     Showing you what's been marked as  
2     Exhibit 112, which is a document I retrieved  
3     from the internet titled Ripple 2015 year in  
4     review and dated December 28, 2015.

5                     Again, I apologize for the printout?

6                     (The witness examined the document.)

7           A     Okay.

8           Q     Do you recognize what's been marked  
9     Exhibit 112?

10          A     No.

11          Q     Is this something that you helped  
12     put together?

13          A     I don't know.

14          Q     If you look at the second page, the  
15     middle says in:

16                     "Continuing our path towards the  
17     intranet value, 2015 was the year we figured  
18     out Ripple's place in the world zeroing in on  
19     product market fit and releasing the  
20     industries first enterprise grade products."

21                     MS. WAXMAN: I will have the marked  
22     as Exhibit 113.

23                             (SEC Exhibit No. 113 was  
24                             marked for  
25                             identification.)

1           Q     I'm showing you what's been marked  
2     as Exhibit 113; it's just the article that is  
3     linked in that paragraph.

4                     (The witness examined the document.)

5           A     Okay.

6           Q     What "product" is being discussed in  
7     Exhibit 113?

8           A     I don't know what the product name  
9     is. I suspect it would have been mostly about  
10    a product that came to be known as Xcurrent.

11          Q     Did Xcurrent use XRP?

12          A     No.

13          Q     Is Xcurrent one of the products that  
14    formed RippleNet?

15          A     Yes.

16          Q     Other than Xcurrent, were there any  
17    other products introduced by the company in  
18    2015?

19          A     I don't know. I don't remember. It  
20    says that there was here. I don't really  
21    remember what it was. It says two complete  
22    solutions. Looks like there was also a market  
23    making product for trading; but I can't  
24    remember.

25                     MS. WAXMAN: I only have one more

1 copy of this.

2 I will have this marked as Exhibit  
3 114.

4 (SEC Exhibit No. 114 was  
5 marked for  
6 identification.)

7 Q I'm showing you what's marked as  
8 114, which is the article linked on the first  
9 page of 113.

10 (The witness examined the document.)

11 A Okay.

12 Q Do any of the products identified in  
13 Exhibit 114 use XRP?

14 A I think the second one does, the  
15 trade in system and effects market making.

16 Q How does it use XRP?

17 A I think you can trade it. I can't  
18 remember the details at that point; but that  
19 product I think evolved or went away.

20 Q How did the product work?

21 A I think it was just a trading  
22 interface to be able to trade.

23 Q Through the XRP Ledger?

24 A I think so. I can't really remember  
25 exactly. Because I see here that it talks



1 about "fix," which I know is a common trading  
2 protocol.

3 Q So, who developed that trading  
4 interface?

5 A I don't know. It would have come  
6 from the product team, presumable.

7 Q Was it something that Ripple  
8 developed?

9 A I think so, yes.

10 Q And how --

11 A You know what, I'm not sure. I  
12 think that there was somebody that was also  
13 working on a product like that; but I can't  
14 remember if he built it or if it was somebody  
15 at Ripple like where the origins of that  
16 product come from.

17 Q Did the product exist when you left  
18 the company?

19 A I'm not sure. I don't know if it's  
20 like an API call or -- but I don't remember  
21 what happened to that.

22 Q Okay --

23 A Could have evolved into something. I  
24 don't know.

25 Q Are you familiar with an entity

1 called [REDACTED]?

2 A Yes.

3 Q What is [REDACTED]?

4 A I think it's an investment fund. I  
5 think it's run by [REDACTED] That's all I  
6 know. He's based in New York.

7 Q How did you come to learn about  
8 [REDACTED] and [REDACTED]?

9 A I don't know how I met [REDACTED]  
10 [REDACTED] But I do remember meeting him and  
11 talking to him about the whole category of  
12 crypto currency, blockchain, Ripple, XRP at  
13 the racket and tennis club on Park Avenue  
14 East. I guess he is a member there.

15 Q Did [REDACTED] invest in Ripple?

16 A I don't remember.

17 Q Did [REDACTED] have any direct  
18 exposure to XRP?

19 A I don't remember. It could have  
20 been one or the other or both. I don't  
21 remember.

22 Q Did Ripple ever enter into any sort  
23 of agreement with [REDACTED]?

24 A In the course of whatever the  
25 investment was apart from that, I don't

1 remember.

2 Q Do you recall what investment  
3 [REDACTED] made?

4 A I don't.

5 MS. WAXMAN: I will have this marked  
6 as Exhibit 115.

7 (SEC Exhibit No. 115 was  
8 marked for  
9 identification.)

10 Q I'm showing what's been marked  
11 Exhibit 115. A document titled [REDACTED]  
12 [REDACTED] executive summary and the stamp  
13 numbers 157137 through 157144.

14 (The witness examined the document.)

15 A Okay.

16 Q Have you ever seen what's been  
17 marked as Exhibit 115?

18 A No.

19 Q Do you know if [REDACTED] purchased  
20 Series A preferred stock from another  
21 shareholder?

22 A No.

23 Q Did Ripple ever sell XRP to the [REDACTED]  
24 [REDACTED]?

25 A I can't remember.

1 Q If you turn to page 5, the top, the  
2 last bullet point says:

3 " [REDACTED] has reserved 10 billion  
4 XRP that it can purchase at no cost from  
5 Ripple."

6 A Okay.

7 Q Did that ever happen?

8 A I don't know. I don't think that  
9 did; but I don't remember this.

10 Q Did you provide any information  
11 about Ripple or it's financials to either  
12 [REDACTED] or [REDACTED]?

13 A I believe so.

14 Q What information did you provide?

15 A I don't remember.

16 Q At the bottom of page 5 it talks --  
17 there's a section that says "revenue model."

18 A Okay.

19 Q Do you know where this -- is this  
20 information that you would have provided to  
21 [REDACTED]?

22 A It's possible.

23 Q The paragraph talks about:

24 "Ripple connect bookings are  
25 estimated to be 16.3 million, 2016; and 45.2

1 million, in 2017."

2 A Okay.

3 Q How is that, where is the 16.3

4 million from?

5 A Okay. So I don't know where this  
6 document was from apart from this is the first  
7 time I ever seen it.

8 Q Understood.

9 Did you provide information to [REDACTED]  
10 that said Ripple connect bookings would be in  
11 that range in 2016?

12 A I don't know.

13 Q Is that even feasible?

14 A Is what feasible?

15 Q That Ripple connect bookings, would  
16 bookings would be around 16.3 million in 2016?

17 A It's possible. I can't really  
18 remember what the sales pipeline looked like  
19 in 2016; but it's possible.

20 Q And --

21 A Bookings -- yeah.

22 Q What is "Ripple connect bookings"  
23 refer to?

24 A Well, "bookings" are a measure of  
25 sort of a life long value of the contract,



1 which could extend three or four years.

2 So, I think bookings are saying that  
3 in the year that it's booked, what's the total  
4 value. Though the revenue might follow a  
5 different cash flow and different schedule.

6 Q So, the revenue might be lower than  
7 that --

8 A In the bookings --

9 Q -- on a yearly basis?

10 A Yes. Any bookings is sort of a  
11 standard metrics for enterprise software  
12 businesses.

13 Q If you turn to page 7, at the very  
14 top, Number 4 says:

15 "XRP holdings are insured by XRP 2  
16 up to 10 billion XRP." Did you ever have  
17 any discussions with [REDACTED] or anyone else at  
18 [REDACTED] about insuring XRP holdings by the  
19 fund?

20 A I don't remember doing that, no.

21 Q Is there anyone?

22 A Well, I'm sorry. This is talking  
23 about custody; is that right?

24 Q Do you understand this to be  
25 referring to Ripple custodying any XRP on

1      behalf of the fund?

2           A     Yes.

3           Q     Is that what you think is meant by  
4      "insurance"?

5           A     It's possible, yes.

6           Q     Did the company custody XRP on  
7      behalf of [REDACTED] or [REDACTED]?

8           A     I don't remember.

9           Q     Why wouldn't the company be  
10     custodying XRP?

11          A     I suspect it's just complicated. And  
12     so, I think it would be hard for some  
13     non-technical person to custody a large  
14     amount.

15          Q     But was it in connection with an  
16     investment that --

17          A     I don't know. I don't know.

18          Q     Did the company sell XRP to funds in  
19     general?

20          A     I don't -- in general, I don't -- I  
21     don't know. I think there were some sales;  
22     but I don't know.

23          Q     What sort of fund did [REDACTED]  
24     envision here?

25          A     I have -- I don't know. I don't

1 know what he envisioned.

2 Q What assets would the fund hold?

3 A I don't know.

4 You talking about [REDACTED]  
5 [REDACTED] the fund you're talking about?

6 Q No. I'm talking about the [REDACTED]?

7 A Oh, I'm not sure.

8 Q Was XRP going to be the only asset  
9 in the [REDACTED]?

10 A I don't know. I gotta say I don't  
11 know. I think -- but "[REDACTED]" must mean intranet  
12 of value.

13 I presume that that was sort of a  
14 broad catch all of all crypto currencies and  
15 all blockchain technologies and everything.  
16 That's my understanding; but that is purely  
17 conjecture. I don't know.

18 MR. HECKER: I just want to be  
19 clear. He said he didn't know what it was and  
20 cannot identify the fund. So, unless you  
21 know -- I understand it may stand for intranet  
22 of value but unless you know that and --

23 THE WITNESS: No, I don't know that.

24 MS. WAXMAN: I will have these marks  
25 as Exhibit 116 and 117.

1 (SEC Exhibit Nos. 116 and  
2 117 were marked for  
3 identification.)

4 Q I'm showing what's been marked as  
5 Exhibit 116 and 117; it's just an e-mail from  
6 you dated January 18th, 2017, with [REDACTED]  
7 attachments.

8 Exhibit 117 is one of the  
9 attachments and it's the [REDACTED]  
10 series.

11 A Okay.

12 (The witness examined the document.)

13 Q Does this refresh your memory if the  
14 company entered into any agreements with

15 [REDACTED]?

16 A Refresh my memory, yes.

17 Q Okay.

18 What do you recall about the  
19 relationship between [REDACTED] and --

20 A Not very much to be honest.

21 Q Are you familiar with an entity  
22 called [REDACTED]?

23 A Yes.

24 Q What is [REDACTED]

25 or [REDACTED]?

1           A     I believe they're an investment fund  
2     with a primary focus on the Chinese market and  
3     a cross sort of between they provide  
4     investments between China and I think mostly  
5     techs in Silicone Valley.

6           Q     Did [REDACTED]  
7     invest in Ripple?

8           A     Yes.

9           Q     How much did it invest generally?

10          A     And again, when -- Ripple, I think  
11     they invested in Opencoin -- but anyway.

12          Q     Well, when I talk about "Ripple,"  
13     I'm referring to any predecessor entity?

14          A     Okay. Okay.

15          Q     We saw earlier today an exhibit that  
16     listed the investors, Exhibit 101, and I  
17     believe [REDACTED] --

18          A     [REDACTED]

19          Q     [REDACTED] was  
20     listed on several lines.

21          A     Yes.

22          Q     Do you recall what fundraising  
23     rounds they participated in?

24          A     No.

25          Q     Did [REDACTED] also have direct



1 exposure too XRP?

2 A Yes.

3 Q How did that happened?

4 A I don't know.

5 Q Were you involved --

6 A I don't --

7 Q -- in any negotiations between

8 Ripple and [REDACTED] with respect to their  
9 purchase of XRP?

10 A I can't remember.

11 MS. WAXMAN: I will have this marked  
12 as Exhibit 118.

13 (SEC Exhibit No. 118 was  
14 marked for  
15 identification.)

16 Q I'm showing you what's been marked  
17 as Exhibit 118, which is an e-mail chain from  
18 October 2014 regarding [REDACTED]

19 [REDACTED]

20 Just take a couple of seconds to  
21 look at it. There's an attachment to the  
22 document, it's called "LTRF term sheet."

23 (The witness examined the document.)

24 A Okay.

25 Q Does this refresh your memory as to

1 any agreements that the company entered into  
2 with [REDACTED]?

3 A No.

4 Q Did [REDACTED] form a fund whose sole  
5 asset was XRP?

6 A I don't know.

7 Q Did Ripple sell XRP to [REDACTED] for  
8 use in that fund?

9 A I don't know.

10 Q Did you have conversations with  
11 anyone from [REDACTED] in  
12 2014?

13 A Yes.

14 Q What was the purpose of those  
15 conversations?

16 A Oh, in October, I actually do not  
17 know. I know that Phil and Chris were talking  
18 to [REDACTED]. I don't know if I had started  
19 talking to [REDACTED] at this point.

20 Q During this time period, not  
21 necessarily in October; did you have  
22 conversations with [REDACTED] about them  
23 purchasing XRP from Ripple?

24 A It's possible. I don't know -- I  
25 don't remember.

1 Q I know you do not remember  
2 discussions about [REDACTED] purchasing XRP  
3 from Ripple or [REDACTED] using that XRP in  
4 connection with a fund.

5 But in general, did you have  
6 conversations with fund managers who wanted to  
7 create a fund whose sole asset was XRP?

8 A Oh, I -- I don't know if I did or  
9 not. I talked to fund managers; but I don't  
10 know if it was for that explicit purpose.

11 Q So, that explicit purpose doesn't  
12 ring out to you --

13 A It doesn't.

14 Q Are you familiar with an entity  
15 called [REDACTED] or [REDACTED]?

16 A Yeah.

17 Q Did you have conversations with  
18 [REDACTED], [REDACTED] or [REDACTED] about them  
19 creating a fund whose sole exposure was in  
20 XRP?

21 A Again, I don't know if it was just  
22 to do an XRP fund. But I remember talking to  
23 them about buying XRP and putting that into a  
24 fund structure.

25 Q And what would be the benefit to

1 Ripple from that arrangement?

2 A Well, potentially buying XRP, they  
3 could be buying a portion of XRP from Ripple,  
4 which could generate cash flow.

5 Q And --

6 A Alternatively, if they're buying XRP  
7 in the market, they're bringing liquidity and  
8 price discovery and positive things for the  
9 XRP market.

10 Q And would the liquidity come from  
11 speculators?

12 A Well, from an investment fund, I  
13 don't know if it's from speculator.

14 Q Did [REDACTED] intend to -- how  
15 did [REDACTED] intend to use the XRP?

16 A I -- for -- I don't know. I don't  
17 know how he intended to use it.

18 Q Was it supposed to fund the XRP  
19 fund?

20 A I don't remember if there was an XRP  
21 fund or if we talked about that. I don't -- I  
22 don't remember.

23 Q Was there an initiative at the  
24 company to engage with funds who were  
25 interested in creating, you know, XRP funds?

1 A No. I don't remember that, no.

2 MS. WAXMAN: It is 3:06 we are off  
3 the record.

4 (A brief recess was taken.)

5 MS. WAXMAN: Back on the record at  
6 3:16.

7 I will have this marked as Exhibit  
8 119.

9 (SEC Exhibit No. 119 was  
10 marked for  
11 identification.)

12 Q Mr. Griffin, have you ever received  
13 XRP as a bonus or part of your compensation?

14 A Yes.

15 Q When?

16 A I believe the first time I received  
17 XRP as part of a single agreement was in May  
18 of 2017. I cannot be totally sure about that.

19 Q And how much XRP did you receive?

20 A I don't remember.

21 Q Did you receive XRP at any other  
22 point in time?

23 A Yes, periodically up until I left in  
24 2018.

25 Q In total, how much XRP have you



1 received from the company?

2 A I don't know exactly. But I think  
3 it's somewhere around [REDACTED]

4 Q I'm showing you what's been marked  
5 as Exhibit 119, which is an agreement that  
6 your counsel produced on your behalf titled  
7 "notice of XRP unit bonus award."

8 (The witness examined the document.)

9 Q Do you recognize what's been marked  
10 as Exhibit 119?

11 A Yes.

12 Q What is Exhibit 119?

13 A A bonus award.

14 Q How much is the award for?

15 A [REDACTED] XRP.

16 Q And how did you come to receive the  
17 award?

18 A Pursuant to investing schedule.

19 Q No. How did it happen that the  
20 company provided you with this bonus award?

21 A It was something that had been  
22 negotiated somewhere in the time period of  
23 2013 and 2014 between Chris Larsen and me.

24 Q And whose idea was it?

25 A It was mine.

1           Q     And what prompted you to negotiate  
2     it with Chris?

3           A     Well, I honestly can't remember the  
4     exact specifics; but broadly we were in the  
5     crypto currency space and I didn't have a  
6     whole lot of crypto currency and I wanted  
7     crypto currency.

8           Q     When did the XRP vest under the  
9     agreement?

10          A     I think it vested beginning in -- I  
11     can't remember exactly the date but I think  
12     there is different provisions for when the  
13     vesting clause starts. And -- but I think it  
14     started in, as I said before -- I think May of  
15     2017 or early 2017.

16          Q     At the time you entered into the  
17     agreement, what was the price of XRP,  
18     approximately?

19          A     When I entered into the agreement?

20          Q     Yes.

21          A     Okay, well that's -- so, my  
22     discussions were I think in late 2013,  
23     possibly 2014. I can't remember exactly when  
24     we had come to an agreement. This got papered  
25     much later, like, two years later as I recall

1 and -- so, when I had the initial discussions,  
2 I think the price of XRP was -- I would  
3 venture a guess that it was below a half a  
4 penny. And then when I think this got papered  
5 I think it was still below a penny.

6 Q So, the initial discussions you had  
7 with Chris, at that time did you believe that  
8 XRP would increase in value?

9 A I believe -- I didn't -- no, I  
10 didn't know if it would or wouldn't. But  
11 certainly, I was working on a project that  
12 would hopefully create more value for XRP and  
13 XRP ecosystem and potentially there would be  
14 greater liquidity around XRP.

15 Q Did you want to share in that  
16 increase in value?

17 A Yes.

18 Q Did you think your efforts would  
19 play a part in that increase in value?

20 A Had the potential to, yes.

21 Q What specific efforts are you --

22 A Well, my efforts -- my contribution  
23 to Ripple Labs and in turn Ripple Labs is  
24 focused on building an ecosystem around the --

25 Q Which would create value for XRP?

1 A Yes.

2 Q What about your specific  
3 contributions?

4 A Well, I thought my contributions  
5 were part and parcel to the long-term  
6 corporate sort of efforts that were around  
7 Ripple X.

8 Q Did you intend to use the XRP that  
9 you would receive as part of the grant?

10 MR. HECKER: Did you say "send to  
11 use" it?

12 A What do you mean by "use it"?

13 Q Did you see the receipt of XRP as an  
14 investment?

15 A I just saw it as compensation.

16 Q Why wasn't the agreement papered  
17 until 2016?

18 A I just -- it just turned out there  
19 was limited resources and I think that's kind  
20 of it. Just, we were focused on other things.

21 Q Well, what was the specific  
22 agreement that you and Chris agreed to in that  
23 initial conversation?

24 A It was [REDACTED] subject to a  
25 vesting schedule. I can't remember the

1 details of the different triggers; but it was  
2 somewhere close to what's in here.

3 Q Were there any differences between  
4 what was initially discussed and what is in  
5 the document?

6 A I -- nothing sticks out, no.

7 Q Have you receive the entire [REDACTED]

8 [REDACTED]

9 A No.

10 Q How much have you received?

11 A I received, approximately, [REDACTED]

12 [REDACTED]

13 Q [REDACTED] XRP?

14 A Yes.

15 Q Are you entitled to receive any  
16 additional?

17 A No. No.

18 Q Why not?

19 A Well, half of that was not sent my  
20 way largely for tax withholding purposes.

21 Q Half of what?

22 A Half of the total amount of [REDACTED]

23 [REDACTED] I don't know exactly the percentage;  
24 but there was a tax withholding. So, I did  
25 not -- I was not eligible for that. And then



1 the remainder -- because I left the company  
2 before the vesting period. Here, there was a  
3 partial acceleration of the last part, the  
4 last of the vesting schedule.

5 Q When you say "partial acceleration,"  
6 can you explain what you mean?

7 A It just meant that -- I don't  
8 remember exactly how much was left; but I  
9 think there was six months left or something  
10 like that just to give you a sense. And so,  
11 when I left, something like three months of  
12 the remaining -- the clock was accelerated.

13 Q So, you didn't receive that  
14 remaining portion of XRP?

15 A No, I didn't receive the full  
16 amount.

17 Q And how much longer did you need to  
18 stay in order to receive?

19 A I don't remember. I think -- I  
20 can't remember.

21 Q Were there any restrictions placed  
22 on the XRP that you received pursuant to the  
23 agreement?

24 A No, not that I remember.

25 Q And at what period of time did you

1 receive the XRP; was it all at once or at two  
2 different intervals?

3 A No, it was different intervals. I  
4 think the first interval was again in May of  
5 2017 is what I recall and then there was  
6 subsequent sort of more calendar-based  
7 intervals from there.

8 Q Other than this grant, did you  
9 receive any other XRP from the company?

10 A No, not anything meaningful. There  
11 was tiny amounts of XRP that I received just  
12 to demonstrate the technology but that was  
13 kind of it.

14 Q Did you sell any portion of the XRP  
15 that you received --

16 A Yes --

17 Q -- in connection with the agreement?

18 A Yes.

19 Q How much XRP do you still hold?

20 A Approximately, [REDACTED]

21 Q So, you sold, approximately, [REDACTED]

22 [REDACTED]?

23 A That would have been --

24 Q [REDACTED] --

25 A Yeah, [REDACTED].

1 Q Sorry. [REDACTED]?

2 A Yeah, approximate. I don't have the  
3 exact numbers.

4 Q Did you sell for a fee --

5 A For dollars, yes.

6 Q How much did you earn in proceeds?

7 A In proceeds, I think, about [REDACTED]  
8 [REDACTED]

9 Q Did you sell the XRP pursuant to any  
10 strategy?

11 A Mostly just a function of de-risking  
12 my financial picture, which was largely tied  
13 up into Ripple and XRP.

14 Q Did you sell the XRP on exchanges,  
15 OTC or both?

16 A Both.

17 Q How much did you sell on exchanges?

18 A I don't know.

19 Q Approximately?

20 A I don't know.

21 Q What exchanges did you sell XRP on?

22 A Maybe, let's say, approximately, 75  
23 percent went through exchanges --

24 Q And -- okay --

25 A -- yeah.